INFORMATIONAL LETTER NO.1504

DATE: May 4, 2015

TO: Iowa Medicaid Providers (Excluding Individual Consumer Directed Attendant Care, Waiver and Dental)

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: ICD-10 Implementation – Procedure Classification Systems (PCS) Code Structure and Reimbursement

EFFECTIVE: October 1, 2015

With the ICD-10 implementation, the IME is making a process change regarding the payment of three character root operation ICD-10-PCS procedure codes. The procedure codes are composed of seven characters:

- Root operation (first three characters of the code)
- Body part (fourth character of the code)
- Approach (fifth character of the code)
- Device (sixth character of the code)
- Qualifier (seventh character of the code)

The first three characters of the procedure code are included to define the heading for the procedure code tables in the ICD-10-PCS code book. These table heading codes or root operations are further subdivided providing the possible last four characters of codes.

Within the ICD-10-PCS procedure code table, valid procedure codes must include all seven characters. The World Health Organization (WHO) and National Center for Healthcare Statistics (NCHS) have determined that a three character root operation is *not* to be used alone when billing a procedure. If a three character root operation is used alone on an institutional claim, the claim will be denied.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609, or by email at ICD-10project@dhs.state.ia.us.